

House Republican Press Release

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Testimony by State Representative Toni Boucher



Floor of the House, October 27, 2005

On SB 2101, AN ACT CONCERNING REFORM OF THE STATE CONTRACTING PROCESS. (As amended by Senate Amendment Schedules "A" and "C") including onerous provisions against transferring work to outside

firms and nonprofit organizations

[House Republicans proposed House Amendment Schedule "A" (LCO 8516) to remove the privatization restrictions, which tie the hands of the governor and her administration to provide state services in the most efficient and cost-effective manner and make it almost impossible for nonprofit agencies to take on additional state services. Unfortunately, the amendment was defeated along party lines.]

Mr. Speaker,

I rise to support this amendment.

The original intent of this bill was to provide better oversight of state contracting procedures following the recent scandals in state government.

The original language of the bill should be supported.

The problem, however, is Section 14 of the bill, the "Privatization" section. It has nothing to do with the original purpose of the bill.

This controversial section is designed to increase state employee jobs by making it difficult, if not impossible, for the state to utilize private companies or nonprofits that provide services at a cheaper cost to the taxpayer. My distinguished colleagues as you have just heard, we are talking about nearly 300,000 people that work to assist the state in various positions.

It is no wonder this section is strongly supported by the state employee unions. It is not at all related to cleaning up corruption in government.

Many dedicated nonprofits provide services of excellent quality to clients at a cheaper cost than if these services were provided by a state agency

The public would be happy to know that---at anywhere from about 25- 40% less.

This bill establishes extensive paperwork that would make it insurmountable for a nonprofit to obtain a contract from the state, agencies such as Catholic Charities.

It dictates wage requirements for employees of nonprofits providing various services

It requires that the nonprofits hire state employees displaced by the service contract at the higher wage rates and also give them state-level healthcare benefits.

These mandates make it too costly for nonprofits to continue providing their services.

The corruption issue in state contracting needs to be addressed. Section 14 does not deal with this issue and should not be part of this bill.

At one time, this state had a history of entrepreneurship and innovation.

From reading the papers these days, I get the impression that leaders in this House are concerned with attracting more business and more jobs to our state. These very leaders that are now proposing this very anti- entrepreneurial anti - free market legislation.

On one hand, I hear you want to attract the talent that will make our state economy grow -- the talent to serve our citizens best.

But now you say that we must restrict business with the state and must mandate what they can and cannot do. Section 14 strikes at the heart of the state's ability to access the best services and the best care in many cases of our most vulnerable most needy of our population.

It should be removed or this bill should fail to get your support.

Thank you.